

REMARKS

The Application has been carefully reviewed in light of the Final Office Action dated March 20, 2008 (“Office Action”). At the time of the Office Action, Claims 1-16, 19-27, 30-39, and 41-49 were pending in the Application. In the Office Action, the Examiner rejects Claims 1-16, 19-27, 30-39, and 41-49. Applicants respectfully traverse the rejections and request reconsideration and allowance of the pending claims.

Summary of Telephonic Interview

Applicants’ attorney, Mr. Justin N. Stewart, thanks Examiner Dass for the courtesy of the telephonic interview conducted on May 20, 2008. Pursuant to MPEP § 713.04, Applicants submit this summary of the telephonic interview to record Applicants’ understanding of the substance of the interview. If Applicants’ understanding is inaccurate, notice of such is appreciated. During the interview, Applicants’ attorney and Examiner Dass discussed the proposed combination of U.S. Patent No. 6,418,419 issued to Nieboer et al. (“*Nieboer*”) with Raphel, “Supermarketing yesterday, today and tomorrow,” Direct Marketing v. 57n3, pp: 8-20, July 1994 – dialog file 15 id 00891925 (“*Raphel*”) and Jaffe, “Shop ‘n’ save - or save ‘n’ shop?” Seattle Times, February 21, 2000 (“*Jaffe*”). Applicants’ attorney and Examiner Dass also discussed the “first form of ownership”, “the second form of ownership”, and the “risk” recited in Claim 13. Applicants’ attorney and Examiner Dass did not reach an agreement regarding the pending claims.

Rejections under 35 U.S.C. §103

Claims 13-16, 19-27, 30-39, and 41-47

In the Office Action, the Examiner rejects Claims 13-16, 19-27, 30-39, and 41-47 as being unpatentable over *Nieboer* in view of *Raphel* and Martin et al., “Basic Financial Management,” 5th Edition, Prentice Hall Inc., ISBN 0-13-060807-6 (“*Martin*”). Alternatively, the Examiner rejects Claims 13-16, 19-27, 30-39, and 41-47 as being unpatentable over *Nieboer* in view of *Jaffe* and *Martin*. Applicants respectfully traverse the rejection and request reconsideration and allowance of the pending claims.

The cited references fail to support the rejection for several reasons. First, the proposed modification of *Nieboer* in view of *Raphel* and/or *Jaffe* is improper because the proposed modification would render the system in *Nieboer* unsatisfactory for its intended purpose. Second, both the *Nieboer–Raphel–Martin* combination and the *Nieboer–Jaffe–Martin* combination fail to teach, suggest, or disclose storing “information on ownership rights in the company relating to the individual” as recited in Claim 13. Third, the proposed combinations fail to teach, suggest, or disclose that “a risk associated with the first form of ownership is limited to a predetermined amount, the predetermined amount being less than an initial investment of the individual in the first form of ownership” as recited in Claim 13.

First, the proposed modification of *Nieboer* in view of *Raphel* and/or *Jaffe* is improper because the proposed modification would render the system in *Nieboer* unsatisfactory for its intended purpose. It is well established that if a “proposed modification would render the prior invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification.” MPEP § 2143.01; *In re Gordon*, 733 F.2d 900, 902, 221 USPQ 1125, 1127 (Fed. Cir. 1984). *Nieboer* discloses an electronic system for trading security instruments such as stocks, bonds, options, and futures. Col. 1, ll. 7-14; col. 2, ll. 56-58. The trading system may operate as an auction by matching buy orders and sell orders for various security instruments. Col. 1, ll. 36-39; col. 2, ll. 27-31. The trading system may further monitor order books and route trading orders to various public exchanges (e.g., New York Stock Exchange, NASDAQ, etc.). Col. 3, ll. 22-36.

Nieboer emphasizes that an intended purpose of the trading system is to allow traders to buy and sell security instruments *anonymously*. Abstract; col. 1, ll. 39-41; col. 3, ll. 37-39. For example, *Nieboer* states that the trading system allows traders to “communicate anonymously for the purpose of effecting transactions.” Abstract. *Nieboer* further notes that, by maintaining the anonymity of traders, the trading system provides advantages over other systems. Col. 1, ll. 39-41. Thus, an intended purpose of *Nieboer* is to allow a buyer to purchase security instruments from a seller without disclosing the identity of the buyer to the seller, and vice versa.

In contrast to *Nieboer*, both *Raphel* and *Jaffe* disclose customer loyalty programs. *Raphel*, pp. 1-4; *Jaffe*, pp. 1-2. In particular, *Raphel* discloses a loyalty program in which a

grocery store tracks the purchases of a particular customer and offers prizes once the customer has accumulated a number of points. *Raphel*, pp. 1-2. *Jaffe* discloses a loyalty program in which online retailers offer rewards to customers. *Jaffe*, p. 1. The customer loyalty programs in *Raphel* and *Jaffe* require the seller (e.g., grocery store or online retailer) to identify and track the purchases of each buyer (e.g., shopper). *Raphel*, pp. 1-4; *Jaffe*, pp. 1-2. The seller must track the identity and purchases of each buyer to determine which buyers qualify for prizes or rewards.

In the Office Action, the Examiner proposes modifying the trading system in *Nieboer* to implement a customer loyalty program as disclosed by *Raphel* and/or *Jaffe*. Office Action, p. 8. Thus, the Examiner proposes modifying the trading system in *Nieboer* to allow sellers of security instruments to offer loyalty rewards to buyers of security instruments. *Id.* This proposed modification, however, would entail allowing sellers to track the identity and purchases of buyers of security instruments, thereby enabling sellers to identify which buyers qualify for rewards. Therefore, by modifying the trading system in *Nieboer* to implement a customer loyalty program, the modified system would disclose the identity and purchases of buyers to sellers. As a result, the modified system would no longer provide anonymity for traders. Accordingly, the proposed modification would render the trading system in *Nieboer* unsatisfactory for its intended purpose of allowing traders to “communicate anonymously for the purpose of effecting transactions.” Abstract. Because the proposed modification would render the trading system in *Nieboer* unsatisfactory for its intended purpose, the proposed *Nieboer–Raphel–Martin* combination and the proposed *Nieboer–Jaffe–Martin* combination should be withdrawn.

Even if the proposed combinations are not withdrawn, the cited references fail to teach, suggest, or disclose storing “information on ownership rights in the company relating to the individual” as recited in Claim 13. In the Office Action, the Examiner relies on *Nieboer* for this aspect of Claim 13. Office Action, p. 7. The cited portion of *Nieboer* discloses a database for the trading system. Col. 8, l. 18. *Nieboer* disclose that the database may store information regarding a security such as the maturity date of the security, the symbol of the security, the company that issued the security, and the conversion ratio of the security. Col. 8, ll. 63-67; col. 11, ll. 3-36. There is nothing, however, in *Nieboer* that

teaches, suggests, or discloses that the database stores information regarding individuals. Instead, *Nieboer* emphasizes that the trading system is “an anonymous system” that allows traders to “communicate anonymously for the purpose of effecting transactions.” Abstract; col. 1, ll. 39-41. Therefore, *Nieboer* fails to teach, suggest, or disclose storing “information on ownership rights in the company *relating to the individual*” as recited in Claim 13. (Emphasis added). Because *Nieboer* fails to teach, suggest, or disclose this aspect of Claim 13, the rejection is improper.

Third, the cited references fail to teach, suggest, or disclose that “a risk associated with the first form of ownership is limited to a predetermined amount, the predetermined amount being less than an initial investment of the individual in the first form of ownership” as recited in Claim 13. Instead, *Nieboer* discloses that “no transaction can occur when the...price is above or below set limits.” Col. 19, ll. 65-67. *Nieboer* also discloses that “[a] subscriber can submit a conditional offer to buy/sell.” Col. 3, l. 15. Merely disclosing a conditional offer, however, does not teach, suggest, or disclose that “a risk associated with the first form of ownership is limited to a predetermined amount, *the predetermined amount being less than an initial investment of the individual in the first form of ownership*,” as recited in Claim 13. (Emphasis added). *Raphel*, *Jaffe*, and *Martin* do not account for this deficiency, and the Examiner does not make any assertions to the contrary. Therefore, the cited references do not disclose, teach, or suggest each element of Claim 13. For at least the foregoing reasons, Applicants respectfully request reconsideration and allowance of Claim 13.

In rejecting Claims 24 and 33, the Examiner employs the same rationale used to reject Claim 13. Accordingly, for reasons analogous to those stated above with respect to Claim 13, Applicants respectfully request reconsideration and allowance of Claims 24 and 33.

Claims 14-16, 19-23, 25-27, 30-32, 34-39, and 41-47 depend from independent claims shown above to be allowable. In addition, these claims recite further elements that are not taught, suggested, or disclosed by the cited references. Accordingly, Applicants respectfully request reconsideration and allowance of these claims.

Claims 1-12 and 48-49

Claims 1-12 and 48-49 are rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,787,404 issued to Fernandez-Holmann (“*Fernandez-Holmann*”) in view of U.S. Patent No. 6,157,914 issued to Seto et al. (“*Seto*”) and *Raphel*. Applicants respectfully traverse the rejection and request reconsideration and allowance of Claims 1-12 and 48-49.

The proposed combination fails to teach, suggest, or disclose each element of Claim 1. For example, the proposed combination fails to teach, suggest, or disclose “a transactional component that facilitates an economic transaction, wherein the economic transaction comprises a purchasing or ordering of goods or services from the company” as recited in Claim 1. In fact, *Fernandez-Holmann* teaches away from this aspect of Claim 1 by disclosing that tracking point-of-sale transactions at selected merchants for a particular consumer is “disadvantageous since particular merchants are required to be associated with the system, and the consumer may only make purchases at those merchants in order to receive the rebate into his account.” Col. 1, ll. 56-63. *Fernandez-Holmann* further discloses that “[i]t is still [a] further object of the present invention to provide such a system which gives the consumer automatic rebate-funded payments into his investment account...which is not dependent on merchants or stores becoming members of the particular rebate plan.” Col. 2, ll. 14-20. It is well established that a reference “must be considered in its entirety, i.e. as a whole, including portions that would lead away from the claimed invention.” MPEP § 2141.02(VI); *see also KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1739 (2007) (when the cited reference teaches away from combining certain elements, discovery of a successful means of combining them is more likely to be nonobvious). Because *Fernandez-Holman* teaches away from the recited elements of Claim 1, the proposed combination is improper. Accordingly, Applicants respectfully request reconsideration and allowance of Claim 1.

Claims 2-12 and 48-49 depend from independent Claim 1, shown above to be allowable. In addition, Claims 2-12 and 48-49 recite further elements that are not taught, suggested, or disclosed by the cited references. Accordingly, Applicants respectfully request reconsideration and allowance of these claims.

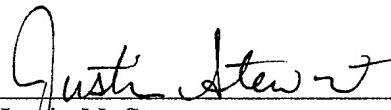
CONCLUSION

Applicants have made an earnest attempt to place this case in condition for immediate allowance. For the foregoing reasons and for all other reasons clear and apparent, Applicants respectfully request reconsideration and allowance of the pending claims.

If there are matters that can be discussed by telephone to advance prosecution of this application, Applicants invite the Examiner to contact its attorney, Justin Stewart, at (214) 953-6755.

Applicants believe no fees are due; however, the Commissioner is hereby authorized to charge any fees or credit any overpayment to Deposit Account No. 02-0384 of Baker Botts, L.L.P.

Respectfully submitted,
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Date: May 20, 2008

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